

Texas Automobile Insurance Plan Association (TAIPA)

Twenty-Ninth Annual Report

For the Period January 1st, 2022 through December 31st, 2022

And

Minutes of the Annual Meeting

Austin, TX

Friday, March 24th, 2023

The Twenty-Ninth Annual Meeting of the Members of the Texas Automobile Plan Association was held via zoom, beginning at 8:50 am, Friday, March 24th, 2023.

The meeting was called to order by Governing Committee Chair, Becky Jackson.

Chair Jackson requested that the Anti-Trust Statement be read. The Association Manager, Stacy Dutton, read the statement.

Ms. Dutton stated that a quorum was present.

Ms. Dutton reported on the selection of trade association representatives as prescribed in Section 36.A.1.a. Of the TAIPA Plan of Operation. The trade association representatives selected were:

- American Property Casualty Insurance Association (APCIA) - Appointed Travelers Insurance Company as their representative
- National Association of Mutual Insurance Companies (NAMIC) - Appointed Hochheim Prairie Insurance as their representative
- Association of Fire & Casualty Companies in Texas (AFACT) - Appointed Texas Farm Bureau as their representative

Chair Jackson announced that no one applied for the Non-Affiliated member position for 2023. Chair Jackson explained that the Governing Committee approved a Plan of Operation change to eliminate the Non-Affiliated position and replace it with a 5th At-Large position with a preference to fill it with a Texas domestic insurance company that writes only in the State of Texas and is not an affiliate or a subsidiary of an insurance company or holding company system writing automobile insurance outside of Texas.

Ms. Jackson stated that in the event a Texas domestic insurance company is not elected at the annual meeting, then the insurer receiving the next highest votes shall be elected to represent the membership at large.

Chair Jackson stated the Plan of Operation Change request was been approved by TDI, and therefore the committee will proceed with electing 5 At Large Candidates at this time.

The nominees for At-Large representatives of insurers are:

- Farmers Insurance
- Safeco/Liberty Mutual
- State Farm Mutual Automobile Ins. Co.
- United Services Automobile Association (USAA)
- Allstate Insurance Company

Chair Jackson asked if there were any member company representatives on the phone who had not completed a proxy or ballot and sent it to the Association manager. No one responded.

Ms. Jackson stated that for all companies who sent in their ballots, and by participating in this call, we assume you are confirming your ballot. She asked if anyone disagreed. No one responded. Chair Jackson confirmed with Ms. Dutton that there were no write-ins and all votes have been counted.

Chair Jackson asked Mike Jones for the verified At-Large ballot results. Mr. Jones stated that he had verified the results and there were five nominees:

- Farmers
- Liberty Mutual/Safeco
- State Farm
- United Services Automobile Association (USAA)
- Allstate

Chair Jackson stated that the elected At-Large members will service for a term of one year or until their successor is elected.

Ms. Jackson indicated that both the Association Manager's and Chair's Reports were sent out with the agenda as exhibits and will become part of the record.

Chair Jackson asked for a motion to adjourn. David Weber made a motion. John Lusardi seconded the motion and the motion carried.

Chair Jackson announced the meeting adjourned at 8:55am.

Annual Meeting Attendees:

Company Members:

Matthew Snyder, Farmers

Mike Voigt, Texas Farm Bureau

David Weber, Hochheim Prairie

Brian Ferguson, State Farm

John Lusardi, Allstate

Brent McGill, Old American County Mutual

Michael Burke, Travelers

Michael Hass, Liberty Mutual

Public Members:

Becky Jackson, Public Member

Carmelita Hogan, Public Member

Laura Hausman, Public Member

David Nardecchia, Public Member

Producer Members:

Adam Payton, Producer Member

Kit Morris, Producer Member

OPIC:

Mariah Holm

TDI:

John Mooney

Counsel:

Michael Jones, Thompson, Coe, Cousins & Irons

TAIPA Staff:

Stacy Dutton, Association Manager

Mimi Leece, Manager Operations/Finance

Ruth Wise, Customer Service/Administrative Support Specialist

Amanda Reynolds, Customer Service/Administrative Support Specialist

The following member companies were represented:

Name:

21st Century Advantage Insurance Company
21st Century Casualty Company
21st Century Centennial Insurance Company
21st Century Insurance Company
21st Century North America Insurance Company
21st Century Premier Insurance Company
Addison Insurance Company
Allstate County Mutual Insurance Company
Allstate Fire and Casualty Insurance Company
Allstate Indemnity Company
Allstate Insurance Company
Allstate North American Insurance Company
Allstate Northbrook Indemnity Company
Allstate Property and Casualty Insurance Company
Allstate Texas Lloyd's
Allstate Vehicle and Property Insurance Company
America First Insurance Company
America First Lloyd's Insurance Company
American Agricultural Insurance Company
American Economy Insurance Company
American Equity Specialty Insurance Company
American Federation Insurance Company
American Fire and Casualty Company
American Guarantee and Liability Insurance Company
American National County Mutual Insurance Company
American National General Insurance Company
American National Property and Casualty Company
American States Insurance Company
American States Insurance Company of Texas
American States Lloyds Insurance Company
American States Preferred Insurance Company
American Zurich Insurance Company
Automobile Insurance Company of Hartford, Connecticut, The

Bristol West Specialty Insurance Company
Catastrophe Reinsurance Company
Centre Insurance Company
Charter Oak Fire Insurance Company, The
Cincinnati Casualty Company, The
Cincinnati Indemnity Company, The
Cincinnati Insurance Company, The
Colonial American Casualty and Surety Company
Colorado Casualty Insurance Company
Discover Property & Casualty Insurance Company
Economy Fire & Casualty Company
Economy Preferred Insurance Company
Economy Premier Assurance Company
Empire Fire and Marine Insurance Company
Employers Insurance Company of Wausau
Encompass Home and Auto Insurance Company
Encompass Indemnity Company
Encompass Independent Insurance Company
Encompass Insurance Company of America
Encompass Property and Casualty Company
Esurance Insurance Company
Esurance Insurance Company of New Jersey
Esurance Property and Casualty Insurance Company
Farm Bureau County Mutual Insurance Company of Texas
Farmers Casualty Insurance Company
Farmers Direct Property and Casualty Insurance Company
Farmers Group Property and Casualty Insurance Company
Farmers Insurance Exchange
Farmers Lloyds Insurance Company of Texas
Farmers Property and Casualty Insurance Company
Farmers Texas County Mutual Insurance Company
Farmington Casualty Company
Federated Mutual Insurance Company
Federated Reserve Insurance Company
Federated Service Insurance Company
Fidelity and Deposit Company of Maryland
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Fire Insurance Exchange
First Liberty Insurance Corporation, The
First National Insurance Company of America
Foremost County Mutual Insurance Company
Foremost Insurance Company Grand Rapids, Michigan
Foremost Lloyds of Texas
Foremost Property and Casualty Insurance Company
Foremost Signature Insurance Company

Garrison Property and Casualty Insurance Company
General Insurance Company of America
Hochheim Prairie Casualty Insurance Company
Ironshore Indemnity Inc.
Liberty County Mutual Insurance Company
Liberty Insurance Corporation
Liberty Insurance Underwriters Inc.
Liberty Lloyds of Texas Insurance Company
Liberty Mutual Fire Insurance Company
Liberty Mutual Insurance Company
LM General Insurance Company
LM Insurance Corporation
LM Property and Casualty Insurance Company
Meridian Security Insurance Company
MGA Insurance Company, Inc.
MIC General Insurance Corporation
Mid-Century Insurance Company
Mid-Century Insurance Company of Texas
Mountain Valley Indemnity Company
National Continental Insurance Company
National General Insurance Online, Inc.
National Insurance Association
Netherlands Insurance Company, The
Northland Casualty Company
Northland Insurance Company
Obsidian Insurance Company
Ohio Casualty Insurance Company, The
Ohio Security Insurance Company
Old American County Mutual Fire Insurance Company
Peerless Indemnity Insurance Company
Peerless Insurance Company
Phoenix Insurance Company, The
Plaza Insurance Company
Progressive Advanced Insurance Company
Progressive Casualty Insurance Company
Progressive Choice Insurance Company
Progressive Classic Insurance Company
Progressive Commercial Casualty Company
Progressive County Mutual Insurance Company
Progressive Northwestern Insurance Company
Progressive Preferred Insurance Company
Progressive Southeastern Insurance Company
Progressive Specialty Insurance Company
Progressive West Insurance Company
Protective Insurance Company
Safe Auto Insurance Company

Safeco Insurance Company of America
Safeco Insurance Company of Illinois
Safeco Insurance Company of Indiana
Safeco Lloyds Insurance Company
Sagamore Insurance Company
Select Insurance Company
Selective Insurance Company of America
Selective Insurance Company of the Southeast
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
St. Paul Protective Insurance Company
Standard Fire Insurance Company, The
State Auto Property & Casualty Insurance Company
State Automobile Mutual Insurance Company
State Farm County Mutual Insurance Company of Texas
State Farm Fire and Casualty Company
State Farm General Insurance Company
State Farm Lloyds
State Farm Mutual Automobile Insurance Company
Texas Farm Bureau Casualty Insurance Company
Texas Farm Bureau Mutual Insurance Company
Texas Farm Bureau Underwriters
Texas Farmers Insurance Company
Toggle Insurance Company
Travco Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
Travelers Casualty Company of Connecticut
Travelers Casualty Company, The
Travelers Casualty Insurance Company of America
Travelers Commercial Casualty Company
Travelers Commercial Insurance Company
Travelers Constitution State Insurance Company
Travelers Home and Marine Insurance Company, The
Travelers Indemnity Company of America, The
Travelers Indemnity Company of Connecticut, The
Travelers Indemnity Company, The
Travelers Lloyds Insurance Company, The
Travelers Lloyds of Texas Insurance Company
Travelers Personal Insurance Company
Travelers Person Security Insurance Company
Travelers Property Casualty Company of America
Truck Insurance Exchange
UFG Specialty Insurance Company
United Financial Casualty Company
United Fire & Casualty Company
United Fire & Indemnity Company

United Fire Lloyds
United Services Automobile Association
United States Fidelity and Guaranty Company
Universal Underwriters Insurance Company
Universal Underwriters of Texas Insurance Company
USAA Casualty Insurance Company
USAA County Mutual Insurance Company
USAA General Indemnity Company
Wausau Business Insurance Company
Wausau Underwriters Insurance Company
West American Insurance Company
Zurich American Insurance Company
Zurich American Insurance Company of Illinois



Stacy Dutton
Association Manager
sdutton@taipa.org

805 LAS CIMAS PARKWAY, BUILDING III, STE. 105 • AUSTIN, TX 78746-6464
P.O. BOX 162890 • AUSTIN, TX 78716-2890
TEL. 512/531-7271 • FAX 512/444-4562
<http://www.taipa.org>

ASSOCIATION MANAGER’S REPORT

Texas Automobile Insurance Plan Association (TAIPA) Annual Meeting – March 24, 2023

The following are the number of applications TAIPA assigned in 2022, 2021, 2020, and 2019:

2022	1,352 (1087 private passenger apps and 265 commercial)
2021	1,381
2020	1,629
2019	2,606

The number of applications assigned in 2022 was 29 less than assigned in 2021, which is a 2.1% decrease.

The TAIPA budget for 2023 is \$1,043,700.00 which is \$170,450 more than the 2022 budget of \$873,250. This is a 19.52% increase.

The TAIPA assessment to the insurance companies for 2023 is \$858,600 which is \$115,600 more than our 2022 assessment of \$743,000. This is 15.56% increase.

The TAIPA Governing Committee voted to request a 5% rate increase for both TAIPA’s Private Passenger and Other than Private Passenger rates at the November 18, 2022 Governing Committee Meeting. The Governing Committee asked that TAIPA’s legal counsel to submit the increase rate request to TDI. As was agreed to previously, TAIPA legal counsel also requested to eliminate the \$1 fee that is added “for the first auto dealer’s plate for an individual or husband and wife and for each designated person” as part of this rate filing. The request was submitted to TDI on January 3, 2023 and approved to go into effect on June 1, 2023.

In 2022 TAIPA staff worked with:

- Strategic Planning Subcommittee to
 - continue to review the risk of TAIPA volume increasing – specifically what TAIPA staff could do to assist insurance agents with training should there be a change in the market. TAIPA’s Enterprise Risk Management Plan was updated and staff continues to work on ideas and projects that could assist producers.
 - Review TAIPA’s current staffing,

- Review and evaluate possible office space locations for the TAIPA office. TAIPA staff is very grateful that the Governing Committee voted to renew TAIPA's current lease at 805 Las Cimas Parkway.
- Operation Subcommittee in
 - assisting the new chairs with information and research on the various issues being reviewed by the subcommittee,
 - continued research and review possible solutions on
 - What companies leaving the Texas Market should do to meet the obligation to TAIPA.
 - What TAIPA should do if our LAD/CLAD providers opted to leave the Texas market,
 - Reviewing the language in TAIPA policies to ensure they are where they need to be and that they address such issues as peer to peer sharing, and language regarding minors.
- Audit and Finance Subcommittee and TAIPA's auditors to complete a successful audit of our 2021 financials and propose a 2023 budget.
- Providing training to the producers and their staff to avoid future errors in the applications they submit and thus avoiding the need for the Producer Review Subcommittee to meet.

TAIPA operated with 4 full time employees in 2022 and had no turnover in 2022. The Manager of Operations/Financial Management continued to spend time training new employees while she continued to manage TAIPA's financials. I want to sincerely thank Mimi Leece for all of her efforts to train staff, and ensure that they had what they needed to perform the customer service duties as well as take on some of the accounts payable and receivable duties. Although it was another year of intense training, we made tremendous progress in 2022 with staff now being much more self-sufficient. This would not have been possible without Ruth Wise continuing to assist Mimi in training Amanda. I would like to thank Amanda for taking on some of the previous accounting duties for me and both Ruth and Amanda working together to ensure that they are both trained on the various duties of their positions.

I would again like to thank the Governing Committee, the TAIPA officers, and the TAIPA subcommittees as well as TAIPA counsel this year for all the support and encouragement that I received over the year. I especially want to thank Becky Jackson for her guidance, as well as her care and concern for the TAIPA employees.

Through the combined efforts of all of the TAIPA staff, TAIPA continued to provide excellent service to TAIPA applicants, producers, vendors, regulators and members of the TAIPA Governing Committee in 2022.

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION (TAIPA) CHAIR'S REPORT MARCH 24, 2023 TAIPA ANNUAL MEETING

I'm Becky Jackson, and I am a Public Member. I had the privilege to serve as the Chair of the TAIPA Governing Committee in 2022.

In 2022, the TAIPA Governing Committee continued to work through the various issues that came along with regard to COVID. We held our Annual Meeting and our November meeting via Zoom, but we did manage to hold our August meeting as an In-Person meeting as well as a Zoom meeting. The Governing Committee and its subcommittees continued to work on and study various projects.

The Strategic Planning Committee continued to work on:

- TAIPA's Revised Enterprise Risk Management Plan – specifically on how TAIPA could assist insurance agents on getting up to speed on submitting TAIPA applications if there was a change in the market.
- Toward the end of the year, the subcommittee recommended and the Governing Committee approved:
 - TAIPA's current staffing level
 - TAIPA's current salary structure
 - Signing a new 5 year lease at TAIPA's current location

The Operation Sub Committee had a challenging year both with the chair of the subcommittee turning over 3 times and the complexity of some of the issues that they were studying. David Weber came in as the 3rd chair of the committee. The subcommittee ultimately

1. Recommended a Plan of Operation change regarding what companies leaving the market must do if they leave the Texas Market. The Governing Committee approved the change in the November meeting and we are currently waiting for TDI's approval on the requested change to TAIPA's Plan of Operation.
2. Recommended that the next time that TAIPA makes changes to its policy, that we include language with regard to the family code requirement regarding minors being examined under oath and the need to have a parent/guardian present. Since the TAIPA policies are approved by the commissioner pursuant to TAIPA's Plan of Operation, there is no need to change the policy language immediately as the minor examination should be done in adherence to the family code law regardless of what the policy states. This was approved by the Governing Committee and the language will be added to the next proposed policy language. This completed the subcommittee's review of the TAIPA policies.

3. Recommended that the TAIPA policy did not need to be changed to include Peer-to-Peer language since there is language in the policy that addresses this. The Governing Committee agreed with this recommendation.
4. Studied various proposals in depth on what to do if the LADs leave the market. The subcommittee ultimately agreed to take the matter back to the Governing Committee to ask for clarification on what the Governing Committee was looking for on this. It was ultimately decided by the Governing Committee to table this issue because it is not an imminent threat in Texas.

The Governing Committee

1. Implemented the new policies that were approved in 2021 including:
 - a. Governing Committee members taking the Open Meetings Act training every two years.
 - b. The Revised Vendor Selection Process for TAIPA's 3rd Party relationships
 - c. The Revised Conflict of Interest Policy that Governing Committee Members and TAIPA Staff must sign each year.
2. Approved a 5% increase of TAIPA rates across the board for both Private Passenger and Commercial rates.
 - a. TAIPA's legal counsel has prepared and sent the rate filing to TDI.
 - b. Included in this rate filing is the proposal to delete the \$1 fee that is added for the first motor vehicle or dealer's plate for an individual, husband and wife with each designated person. As you may recall this change was approved by the Governing Committee in 2021 but the change had to be made in conjunction with a rate filing.

In 2022 we said goodbye to several long standing Governing Committee Members including Leslie Hurley, Mike Schalk, and Corise Morrison who retired from USAA in November. On a brighter note, we welcomed John Lusardi, Mike Voigt, and moved David Nardecchia from the Alternate Public Member to Public Member.

I'd like to offer thanks to all of the members of the Governing Committee. Thank you to Anh Vo, Matthew Snyder and David Weber, and Corise Morrison for serving in officer roles over the past year. I'd also like to thank Mike Voigt, John Lusardi, Ryan Shapiro, Carmelita Hogan, Mary Carol Awalt, Laura Hausman, Adam Payton, Ramon Montalvo, David Nardecchia, Mike Hass, Keith Wechsler, and Kit Morris for their service on the TAIPA Governing Committee in 2022.

I would be remiss if I didn't thank Doug Beck, Carol Berthold, and Sean Walsh for their leadership and work on the Operation Subcommittee in 2022.

I want to recognize and thank the TAIPA staff, Stacy Dutton, Mimi Leece, Ruth Wise and Amanda Reynolds for continuing to build the TAIPA team in 2022 and continue to meet the needs of the insureds, producers, and insurance companies that rely on TAIPA services.

I would like to thank you all for your support and direction. And, thanks to TAIPA's legal counsel, Mike Jones for his contributions.

It has been a pleasure serving as chair this past year.

X 
Becky Jackson
Governing Committee Chair